



California Regulation of Internet Poker

Can Internet Poker be Regulated?

- Yes. Internet poker is a worldwide phenomenon which is already highly controlled through appropriate government oversight and regulation.
- Reputable regulatory regimes such as the United Kingdom, Alderney, Isle of Man, and Italy set a very high barrier to be licensed to operate an Internet poker site. Because of the unique characteristics of the internet space, regulation of online games can be accomplished thoroughly and efficiently. In fact, this oversight is even more stringent and controlled than regulated brick and mortar casinos in the U.S.
- It is estimated that more than 1,000,000 Californians have active online poker accounts with operators who are regulated overseas. These residents would greatly benefit from the additional protections state regulation can provide.

California Regulation Must Ensure Competition, Not Monopolies

- Today, California players are able to choose from a variety of operators who serve the U.S. market. This competitive choice has created a “best in class” for online poker and players have migrated to those sites that offer player incentives, but also a safe and regulated place to play.
- Without an open and competitive licensing process, which allows existing overseas and domestic operators to vie for approval alongside state card-rooms, pari-mutuels and Indian tribes, California will risk alienating the hundreds of thousands of current online poker enthusiasts by limiting the marketplace and the consumer experience.
- Competition is not just good for California consumers, but it will also lead to more long-term and stable revenue for the state. Without competition that breeds player incentives, a variety of games and playing limits, online poker players will either continue to play on the multitude of “non-California regulated” sites or simply stop playing altogether.

Key Principles of Regulation

- California establishes a regulatory standard that puts the state in control of already lawful Internet poker that its residents currently play. It also recognizes reputable jurisdictions that already effectively regulate Internet poker.
- California defines its own standards with which operators must comply in order to receive a state license. These would include: Thorough vetting of potential licensees; mandatory implementation of technologies to protect against underage gambling and to monitor and detect individuals with excessive gaming habits; high standards to ensure fair play, thwart fraud and prevent customer mistreatment; regulation to prevent money laundering; and, processes to prevent tax avoidance and ensure the collection of revenue.
- California would issue licenses to operators who comply with the state’s guidelines, and who are either regulated in one of the “white list” jurisdictions, or who would otherwise qualify to receive a license as an in-state entity.